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June 7, 2000

VIA FEDERAL EXPRESS

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Birch Telecom of the South, Inc. (Docket No. 00-00341)

Dear Mr. Waddell:

On behalf of Birch Telecom of the South, Inc. ("Birch"), we hereby submit an original and thirteen (13) copies of an addendum to Birch's responses to a May 5, 2000 data request from Mr. Darrell Whitis of the Tennessee Regulatory Authority's ("TRA") staff.

Birch's data request responses were filed with the Commission on June 2, 2000. In its data requests responses, Birch indicated that it was attaching to the responses the sworn pre-filed testimony of Mr. Gregory C. Lawhon, Senior Vice President of Birch, which describes the services to be provided by Birch in the State of Tennessee, and Birch's technical, managerial, and financial abilities to provide such services. However, after filing its responses, Birch discovered that it had inadvertently failed to attach Mr. Lawhon's testimony. Accordingly, Birch hereby submits the Mr. Lawhon's sworn pre-filed testimony as an addendum to its responses filed on June 2, 2000.

We have included an extra copy of this filing, marked "Stamp and Return," as well as a self-addressed, pre-paid overnight airbill and delivery envelope. Please stamp and return the extra copy to confirm your receipt.

Please direct any inquiries regarding this filing to the undersigned.

Respectfully submitted,
BIRCH TELECOM OF THE SOUTH, INC.

By

Valerie M. Furman

VMF/clh

Enclosures

cc: Darrell Whitis (via facsimile)

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**STATE OF TENNESSEE
BEFORE THE TENNESSEE REGULATORY AUTHORITY**

In the Matter of)	
)	
Birch Telecom of the South, Inc.)	Docket No. 00-00341
)	
Application for a Certificate of Convenience and)	
Necessity to Operate as a Competing)	
Telecommunications Service Provider Within the)	
State of Tennessee)	

**TESTIMONY OF GREGORY C. LAWHON
ON BEHALF OF
BIRCH TELECOM OF THE SOUTH, INC.**

May 16, 2000

I.

INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Gregory C. Lawhon. My business address is Birch Telecom of the South, Inc.,
2020 Baltimore Avenue, Kansas City, Missouri 64108.

Q. WHAT IS YOUR POSITION WITH BIRCH TELECOM OF THE SOUTH, INC.?

A. I am Senior Vice President of Birch Telecom of the South, Inc. (hereinafter "Birch").

Q. WHAT ARE YOUR RESPONSIBILITIES AS SENIOR VICE PRESIDENT?

A. In this capacity, I supervise a group of twenty-one employees in Birch's Legal and
Regulatory Group. Our group is responsible for all aspects of Birch's legal and regulatory
affairs, which includes negotiation and documentation of equity and debt financing,
contract negotiation and enforcement (including interconnection agreements with
incumbent carriers and other telecommunication providers), and compliance with
federal, state and local laws and regulations.

Q. PLEASE DESCRIBE YOUR PREVIOUS PROFESSIONAL EXPERIENCE.

A. Prior to joining Birch, I practiced law for twelve years with the 90-lawyer Kansas City firm
of Spencer Fane Britt & Browne. I became a partner in the firm in 1990, was head of the
firm's communications and media group, and was a member of its business group. My
areas of practice were mergers and acquisitions, with an emphasis on communications
industry acquisitions, cable television franchising, and commercial and regulatory issues
with respect to the telecommunications industry. I hold a Bachelor of Arts degree in

Economics, *magna cum laude*, from Vanderbilt University, and a law degree from Columbia University, where I was a Harlan Fiske Stone Scholar.

II.

PURPOSE AND SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I submit this testimony on behalf of Birch to demonstrate that Birch's application for a license to provide local services on a resale basis meets appropriate regulatory criteria and is--in the public interest. I also explain the services that Birch proposes to offer in Tennessee.

Q. PLEASE SUMMARIZE THE MAIN POINTS OF YOUR TESTIMONY.

A. My testimony will address several major points:

- ◆ a description of Birch's application for a license to provide interexchange and local exchange services;
- ◆ a description of Birch's managerial and technical qualifications;
- ◆ a description of Birch's financial qualifications;
- ◆ a description of the specific services Birch proposes to offer in Tennessee; and
- ◆ a demonstration that Birch's proposed interexchange and local exchange services are consistent with the public interest.

Q. PLEASE DESCRIBE THE AUTHORITY THAT BIRCH SEEKS FROM THE COMMISSION.

A. Birch seeks a license to provide local exchange service pursuant to T.C.A. § 65-4-201 *et seq.* Birch proposes to operate as a Competing Telecommunications Service Provider

1 providing interexchange and local exchange services on a resale and facilities-based basis
2 within the State of Tennessee.

3 **III.**

4 **MANAGERIAL QUALIFICATIONS**

5 **Q. PLEASE OUTLINE BIRCH'S MANAGERIAL QUALIFICATIONS.**

6 **A.** Birch has the managerial resources necessary to provide customers in the State of
7 Tennessee with high-quality local exchange telecommunications services. The members
8 of Birch's senior management team have extensive management and telecommunications
9 experience. Birch is guided by a sophisticated and highly able management team that
10 includes individuals who have distinguished themselves over the past two decades in
11 executive positions at the top communications firms in America. Exhibit A sets forth the
12 backgrounds and experience of Birch's management team.

13 **IV.**

14 **TECHNICAL QUALIFICATIONS**

15 **Q. PLEASE DESCRIBE BIRCH'S TECHNICAL QUALIFICATIONS.**

16 **A.** The senior management team has extensive technical and telecommunications
17 experience, and has been instrumental in the design, implementation and operation of
18 several telecommunications networks.

19 **V.**

20 **FINANCIAL QUALIFICATIONS**

21 **Q. PLEASE DESCRIBE BIRCH'S FINANCIAL QUALIFICATIONS.**

VI. BIRCH'S PROPOSED SERVICES

A. Birch is an integrated telecommunications provider that intends to offer facilities-based and resold local exchange telecommunications services, as well as resold interexchange (toll) telecommunications services, to business and residential customers in the State of Tennessee. Birch will offer state-of-the-art voice and data services to its customers, including local and long distance telephone service, calling card services, toll-free numbers, Internet access (using DSL, T-1, ISDN and/or other high-speed facilities), Web hosting, integrated voice and data transmission over broadband lines, and customer premises equipment sales and services. Birch will provide the above-referenced services to its customers through a combination of leased and owned network facilities and resold services. Using an unbundled network element platform (“UNE-P”) strategy, Birch will lease substantially all of the unbundled network elements necessary to provide service to

1 customers from incumbent telephone companies, and use Birch advanced back-office
2 systems to combine these elements into integrated Birch-branded voice services.

3 **Q. WHAT GEOGRAPHIC AREAS WILL BIRCH SERVE?**

4 **A.** Birch seeks authority to provide resold and facilities-based local exchange and
5 interexchange telecommunications services throughout the State of Tennessee.

6 **Q. WILL BIRCH OFFER SERVICE TO ALL CONSUMERS WITHIN ITS SERVICE**
7 **AREA?**

8 **A.** Yes. Birch will serve any customer within its service area, subject to the availability of the
9 necessary facilities and/or equipment, and subject to the provisions of its tariff.

10 **Q. HOW WILL BIRCH ESTABLISH ITS LOCAL CALLING AREAS?**

11 **A.** Birch's local calling areas will be the same as the local calling areas of BellSouth
12 Telecommunications, Inc. ("BellSouth") in the exchanges in which Birch will provide
13 service.

14 **Q. WILL BIRCH'S TARIFFS CONTAIN ALL OF ITS RATES AND CHARGES AS**
15 **REQUIRED FOR INTRASTATE TELEPHONE SERVICES?**

16 **A.** Yes. All rate elements will be set forth in a readily ascertainable form. Birch's tariffs will
17 list specific rate levels for each service and service element, and will otherwise comply
18 with the TRA's Rules.

19 **Q. WILL BIRCH PROVIDE OTHER SERVICES OR SERVICE OPTIONS?**

20 **A.** Yes. Birch will comply with all applicable statutes, rules and orders concerning the
21 provision of telecommunications services in Tennessee, including all provisions of Rule
22 1220-4-8-.04. Specifically, Birch will, either directly or through arrangements with other
23 carriers or companies:

- i) Provide access to 911 and E 911 emergency service;
- ii) Provide white page directory listings and directory assistance;
- iii) Provide consumer access to and support for the Tennessee Relay Center in the same manner as incumbent local exchange telephone companies;
- iv) Provide free blocking service for 900, 976 type services in accordance with TRA policy;
- v) Provide Lifeline and Link-up services to qualifying citizens of this state; and
- vi) Provide educational discounts in existence as of June 6, 1995.

Q. WILL BIRCH COMPLY WITH ALL TENNESSEE REGULATORY REQUIREMENTS?

A. Yes. However, I reiterate Birch's request for a waiver of the TRA's requirement that a Wireline Activity Report be filed on a monthly basis. Birch also requests a waiver of any additional reporting requirements which, although applicable to ILECs such as BellSouth, are not applicable to Birch because such requirements (1) are not consistent with the demands of the competitive marketplace, and/or (2) constitute an undue burden on a competitive provider, thereby requiring an inefficient allocation of its limited resources. In addition, Birch reserves the right to seek any regulatory waivers which may be required for Birch to compete effectively in the Tennessee local exchange and interexchange markets.

VII.

PUBLIC INTEREST CONSIDERATIONS

Q. PLEASE DESCRIBE THE PUBLIC INTEREST BENEFITS ASSOCIATED WITH BIRCH'S PROPOSED OFFERING OF TELECOMMUNICATIONS SERVICES IN TENNESSEE.

A. Birch submits that TRA approval of its application to provide competing telecommunications services in the State of Tennessee is in the public interest, as Birch's market entry will bring a host of benefits to the State's telecommunications users. Included among those benefits are the following:

- (i) increased diversity in the supply of telecommunications providers, which will offer additional and new consumer choices;
- (ii) the entry of new telecommunications providers into the State's telecommunications marketplace, which will have no adverse impact upon prices; instead, it will introduce competitive pressures that will foster lower prices;
- (iii) the entry of new telecommunications providers into the State's telecommunications marketplace, which will enhance competitive pressures that will foster higher quality service from all providers.

Granting Birch's application will introduce a telecommunications service provider committed to providing high quality, innovative, and technologically advanced services that will further increase telecommunications competition within the State of Tennessee.

Birch's network will utilize state-of-the-art technology. Birch's service offerings will

increase consumer choice, improve the quality and efficiency in telecommunications services and will likely lead to the reduction of consumer costs, as well as stimulate development of additional services by providing competitive incentives to other providers. Furthermore, Birch intends to make a significant investment within Tennessee and provide employment opportunities for Tennessee residents. Thus, granting Birch's application is in the public interest.

VIII.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

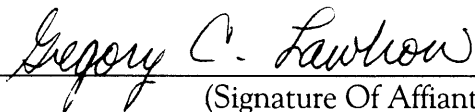
A. Yes, it does.

AFFIDAVIT

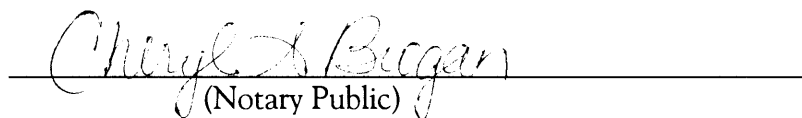
State Of Missouri

Jackson County

Personally Appeared Before the Undersigned, Gregory C. Lawhon, who first being duly sworn, Deposes and Says that he is Senior Vice President of the Applicant and the Witness in this Testimony; that he has read the same and knows the contents thereof, and that the statements made herein are True and Correct to the best of his knowledge and belief.


(Signature Of Affiant)

Subscribed And Sworn Before Me This 16th
Day of May, 2000.


(Notary Public)

(Seal)

CHERYL A. BROGAN
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires April 29, 2002